

Chapter I

THE PLAN AND THE PRACTICE

WHEN the First Five-Year Plan was made public by the Congress Government in 1951, large sections of our people hailed it as an earnest effort to overcome the economic backwardness of our country and to enable it to catch up with the more advanced countries of the world.

The Communist Party, however, did not share this enthusiasm for the Congress Government's plans of economic reconstruction. A few weeks before the Draft Outline of the Five-Year Plan was presented to the public, in April 1951, the Communist Party had come out with its new Draft Programme in which it made the following criticism of the Plan that was then being finalised as the Draft Outline:

"The claims of 'reconstruction', of building irrigation, hydro-electric stations, factories, etc., whether directly by the State or in partnership with private capital... are turning out to be the means of looting the State Budget by foreign firms of experts and suppliers, by high-placed bureaucrats in charge and big speculators on the Stock Exchange.... Industrialisation of the country which is held at the mercy of the British and the Americans and who certainly are not interested in making India an industrial nation, is making no headway in the hands of this Government which is tied to the

chariot-wheels of British capital. And whatever industries exist are continually finding themselves in a crisis, because the growing poverty of the masses, especially the peasantry, does not give them an adequate market inside the country. Outside as well as inside the country they come up against the competition of foreign firms and other imperialist masters of the colonial world and thus find themselves in a deadlock.”

The Party, therefore, came out before the people with a basic criticism of the Plan which was then being evolved by the Congress Government—the criticism that no Plan will solve the problems of the country unless fundamental transformations are brought about in the existing social relations. It was this basic criticism of the Plan, together with certain constructive proposals based thereon, that the representatives of the Party made before the Planning Commission in October, 1952, when the Commission invited the representatives of political parties for consultation on its new Revised Version.

The Party incurred the wrath of the ruling classes because of this outspoken criticism of the fundamental basis on which the Congress Five-Year Plan is based. Spokesmen of the Congress stated, in the course of the debate in Parliament on the Five-Year Plan, that the Communists were against the Plan because it would be “difficult for them to preach their gospel” if the Plan is successfully implemented. Finance Minister Deshmukh, for his part, ‘cursed’ the Communists in the following terms for their ‘sin’ of refusing to share the enthusiasm for his pet Five-Year Plan. He said:

“I see the dilemma of the Communist Party. But I am very sorry that they have chosen the longer of the two horns of the dilemma. I said before that, if they

went on in this fashion, they will be in the wilderness for a longer time. I am now beginning to feel that they will be in the wilderness for ever.”

The year and a half since Mr. Deshmukh made this remark have shown that it is he himself and his Government who are now on the horns of a dilemma, rather than the Communist Party. The nature of this dilemma can be seen in the way in which Mr. Deshmukh’s colleague in the Central Government, Planning Minister Nanda, spoke at the meeting of the Central Advisory Council for Industries, on October 12, 1953: “*On the one side,*” he wailed, “*there was the complaint that the country did not produce enough consumption goods. But when they increased production and took credit for it, they were suddenly faced with accumulation of stocks.*” (Emphasis added.)

If this was the mild way in which the Planning Minister gave expression to the frustration of his and his colleagues’ hopes on the Plan, there was a far more outspoken criticism made by the official organ of the INTUC, the *Indian Worker*, in its first Anniversary Number dated October 2, 1953:

“Overnight, the country discovered that the national economy had grown anaemic conditions, that the 5-Year Plan was really found wanting and that the rosy calculations had gone astray.

“*The harm that the self-righteous Planners have done by proceeding on false premises and holding out dubious calculations, would appear unpardonable.* The Planners were now pell-mell. A stupid, arrogant and almost unpatriotic fight was given by the personalities in the Planning Commission vaults even to friendly warnings about the deepening crisis of unemployment. Every possible effort was made to reject and ridicule

these warnings. One fine morning, the Finance Minister dropped brickbats and confessed that the unemployment situation was worsening. With the same suddenness he confessed that the 5-Year Plan had been found wanting and that it must be revised with a view to tackle the problem of unemployment. Confessions were simply pouring. It was now admitted that the capital formation in private sector of industry had not kept pace with the calculations of the authors of the Plan.

"The general people were dismayed when they heard that with the rising production the prices too were rising. The workers were distressed when they found that with the rising production, employment was dropping. Why should this happen? Who was bungling?" (Emphasis added.) (p. 23)

As a matter of fact, at the very time when the spokesmen of the Congress were making tall claims with regard to the merits of the Plan, the Calcutta organ of British Big Business, *Capital*, had made the following criticism: "The air of exactitude with which percentage increases are prophesied in this and that is, if not exactly spurious, not to be taken literally. The targets set in the field of private industrial and agricultural enterprises are even more plainly open to this criticism.... Whether they [industries] will in fact be producing the quantity in 1955-56 surely depends on whether there will be buyers offering remunerative prices for the whole of their output; there are no such buyers just at present and, though they might enter the market between now and 1956, that is something that cannot be provided for in an Indian Plan. *This oversight of the problem of marketing surplus production runs throughout the summary, if not the Plan itself.*" (Emphasis added.)

It was this basic weakness of the Plan—its inability to solve the problem of marketing that created a series

of difficulties which led to such an outcry in the country that a few months after these boastful claims, the spokesman of the Congress Government, Mr. Deshmukh, had to move a resolution in the Parliament asking for a revision of the Plan in order to deal with the growing problem of unemployment.

It is thus clear that the Communist Party's basic criticism of the Plan—the criticism that any plan for increasing production to be successful, should be integrated with measures calculated to increase the purchasing power of the people, which can be done only if the fundamental basis of the Congress Five-Year Plan is changed—has proved correct.

It should, at the same time, be admitted that the planners themselves do not claim that the Plan as visualised by them will make those revolutionary advances in our country's economy which were made in the Soviet Union. On the contrary, the perspective which they place before us is an extremely gloomy one. Take, for example, their estimate of the effects of planning on food and agriculture; the Planning Commission does not claim that even the most successful implementation of all its plans and projects will solve the very serious problem of food shortage. This, it should be emphasised, is the problem which is sought to be solved by the Plan even at the cost of attention to industrialisation. The only way in which the Planning Commission thinks that the problem of food shortage can be solved in spite of its emphasis on agriculture is the reduction in the growth of population. As the Commission says in its Report:

"The recent increase in the population of India and the pressure exercised on the limited resources of the country have brought to the forefront the urgency of the problem of family planning and population control. The application of medical knowledge and social care has

lowered the death rate, while the birth rate remains fairly constant. This has led to the rapid increase in growth of population. While a lowering of the birth rate may occur as a result of improvements in the standards of living, such improvements are not likely to materialise if there is a concurrent increase of population. It is therefore apparent that population control can be achieved only by the reduction of the birth rate to the extent necessary to stabilise the population at a level consistent with the requirements of national economy. This can be secured only by the realisation of the need for family limitation on a wide scale by the people."

It is to substantiate this conclusion arrived at by the Planning Commission that the entire Report of the *Census of India, 1951*, is devoted. The author of that Report, Mr. R. Gopalaswami, has painstakingly analysed how the two major factors relevant to this question—population growth and food productivity—are operating. The conclusions arrived at by him are as follows:

Firstly, our population which in 1951 was round about 36 crores will be 41 crores in 1961, 46 crores in 1971 and 52 crores in 1981;

Secondly, the food requirements of our country which in 1951 were round about 750 lakhs of annual tons (out of which 700 lakhs are provided by internal production and 50 lakhs by imports) will grow to 850, 960 and 1,080 lakhs of annual tons in 1961, 1971 and 1981 respectively;

Thirdly, it follows from the above that, in order that the supply of food may correspond with the growing requirements of our increasing population, we shall require 150, 260 and 380 annual lakhs of tons more (than the 1951 production) in 1961, 1971, and 1981 respectively, if the whole supply of food is to be met out of internal

production and if consumption is to remain at the same low level as now;

Fourthly, the maximum extra production that is possible of attainment by 1981 will be 240 lakhs of tons. This additional production is made up as follows:

- 80 lakhs of tons by major and minor irrigation combined;
- 40 lakhs of tons by increasing the acreage under crops (extensive cultivation);
- 40 lakhs of tons by intensive cultivation (the use of mineral fertilisers, improved seeds and improved cultural methods) on about 2 crores of acres of land having an assured supply of water;
- 40 lakhs of tons by the same methods of intensive cultivation as above on about 4 crores of acres having a reasonably satisfactory supply of water;
- 40 lakhs of tons through better methods of cultivation on about 8 crores of acres of unirrigated land situated in areas with low rainfall;

Fifthly, since the above development of our production is the maximum that is possible of attainment, it is clear that, if population grows still further after 1981, then the point will be reached when every additional mouth to be fed will lead to that much of additional food shortage.

It should be admitted that the author of the *Census of India, 1951*, has very ably pointed out the limitations of the Congress plans of development as conceived by the Planning Commission and as now being implemented by the Central and State Governments. For, he makes it clear that, though the Plan does not seek to industrialise the country, though the main objective of the Plan is, at least to begin with, to develop agriculture, it does not

help the Congress Government to solve the fundamental problem which it is hoping to solve—the problem of food. Can there be a more damning indictment of the whole Plan than this?